

Meeting Minutes - Meeting 10
DNR New Source Review Retooling Advisory Group
December 18, 2003 – Madison, WI

Advisory Group Participants: Renee L. Bashel, Dept. of Commerce; Jeff Burger, DNR Southeast Region; Hank Handzel, DeWitt Ross & Stevens (WPC); Lloyd Eagan and Jeff Hanson, DNR Bureau of Air Management; Michele Pluta, Alliant Energy; Annabeth Reitter, StoraEnso; Imelda Stamm, DNR Northeast Region; Thomas T. Stocksdales, S.C. Johnson; Paul White (for Jon Konings), We Energies. **Absent:** Tom Estock, Quad/Graphics, Inc; Myron Hafele, Kohler Co.; Dave Hildreth, DNR Northeast Region; Howard Hofmeister, Bemis Corp.; Rick Osa, STS Consultants; Jeff Schoepke, Wisconsin Manufacturers & Commerce; Mark Thimke, Foley & Lardner.

Others: Ed Wilusz, Wisconsin Paper Council; Todd Palmer, DeWitt Ross & Stevens; Dan Guido, ERM; Neil Howell, Department of Administration; Darin Harris, DNR Management & Budget (facilitator); Marcia Penner, DNR Legal Services; Caroline Garber and Anne Urbanski (notetaker), DNR Bureau of Air Management.

Handouts/Overheads: <http://www.dnr.state.wi.us/org/aw/air/hot/nsr/dec182003/> - *The Other Three-Quarters of the Loaf*

Next meeting Monday, January 26, 2004, from 9:00 a.m. to 3:00 p.m. in Room 027, GEF 2, 101 S. Webster St., Madison.

(Note, due to technical difficulties the notetaker cannot access the notes take on her laptop. So this meeting's notes will be more of an outline than usual.)

Discussion

Today's meeting is the kickoff for NSR retooling for the minor source program interface with the major source rule changes. Lloyd Eagan said overall feedback was positive on NSR retooling for major sources. She noted that the group really dealt with only a part of the NSR loaf; there are other things we still need to do to make sure we get protective regulations that improve DNR's efficiency and effectiveness. DNR did learn that some things were helpful, e.g. website for people to get materials from, mapping out and scheduling meetings, moving to the full-day meetings with break for lunch; providing coffee. Things we could do better: get materials out sooner (will try); better introductions at meeting; turn-around time between meetings; also need more creative ideas coming from industry - not just DNR proposing and people reacting. If anyone has a good idea please speak up early. Today's goal should be to come up with a schedule for this phase on NSR package: Minor source linkages. Darin Harris said DNR wants to be sure we are crystal clear about the group's charge. The minor source interface component is 75% of the loaf. Clear the evaluations have merit - we produced a report which went to governor's office and Secretary Hassett.

Annabeth Reitter reiterated a list of bullet points from 11/18 on planning for the next meeting:

- 1) analysis of impact of SIP withdrawal of minor source program
- 2) other states' activities
- 3) NR code linkages
- 4) How to match a mass-based system with a rate based system
- 5) One permit program – Mark Thimke's suggestion
- 6) Project plan -- map out time line through April 2004

Ty Stocksdale noted the lack of minor source representatives in the room. It would be nice to have some minor source reps. Jeff Hanson said the Air Permit Improvement Initiative (APII) (also under the streamlining umbrella) is talking about how DNR can more efficiently process both Title V and NSR permits. The APII group will come up with the ideas, some of which will come to this group for implementation. When we start talking about those things, we'll need to have minor sources involved. But this group is about retooling and getting policy in place. Will bring them in when we get to that point.

Renee Bashel suggested that this group include an attorney, Mike Simpson, who serves on the Small Business Environmental Council (in Milwaukee). He could bring ideas from this group back to the council. He's someone to involve earlier in this second round.

Harris - identify what minor source roadblocks need to be addressed to implement NSR programs. Then you should identify all the MS linkages in NSR rules.

The other 3 quarters of the loaf– Jeff Hanson. First quarter of the loaf - got board approval or hearings. Four hearings are scheduled, on January 22, 23, 28 and 29 (see public hearing notice at <http://www.dnr.state.wi.us/org/aw/air/reg/AM0604no.pdf>). Public notice was published 12/19 so the 30-day comment period starts 12 /19 and expires 1/30/04. Second quarter of loaf - a timeline of 3 tracks - on schedule on track 1 for holding hearings by February 2004. Now we're on Track 2 talking about minor sources, track 3 is coming up. Looking to pick up the equipment replacement provisions in June 2004. Another package not showing up is for general construction permits. (See <http://dnr.wi.gov/org/aw/air/hot/nsr/dec182003/NR406interface1203.pdf>)

- What about new federal rules on aggregation and debottlenecking? Depends on when they are issued. Still on horizon but unsure of date. DNR hopes this rule will fit into its timeline if EPA does release rule.
- What about actual and allowable PALs? DNR hasn't really heard much about that from EPA. Hanson said he'd be surprised if DNR heard any news by the end of 2003.

The other three-quarters of the loaf includes NR 406 applicability changes and NR 407 revision requirements, which might result in delays. Remember that the NSR retooling group's interests are clarity and bright line, operational flexibility, reducing administrative burden, improving consistency, and making programs usable for businesses, while protecting public health and improving air resources in nonattainment areas, and protecting air quality increment. Are our interests consistent with major source retooling efforts? DNR wants more feedback and ideas from reps as we go along. Are the interests from the first round still consistent this time? Is there anything that's no longer a target or maybe something else we learned in first round? Or is there some nuance of minor sources that needs to be a driver in our interests?

Advisory group suggestions:

- Improve speed of turnaround on permit processing
- Compress public comment period to 2 weeks for simple actions
- Allow sources to begin construction while permit is being reviewed but not operate until permit is approved
- Reduce and simplify cost of compliance e.g. record keeping, reporting, monitoring, by using registration permits, general permits, etc.
- Important sideboard – whether or not the minor source program should be part of the State Implementation Plan and thus federally enforceable.
- Potential for amending other rules, e.g. NR 410, 415, 428, 439
- Minor sources collocated with a major source
- Withdrawing minor sources from Wisconsin's SIP

- Mass-based v. rate-based system
- Minor source programs in other states – how consistent does DNR want to be with them?
- Where is the exemption level? Begins at “Do I need a permit or not?”

Group timeline for phase 2 discussions

Harris suggested doing a timeline that runs through May. The group decided that January would be information and background time. In January we should discuss NR 400 series traps (applicability of and modifications to NR 406, 407 revision requirements, NR 445, and other 400 series traps), and constraints and implications of minor sources being in or out of the SIP. In February we expect a report from the APII streamlining group, including what other states are doing. We also need a parking lot for issues, and we need to make sure we have the right people involved.

The group decided on the following meeting dates [rooms were determined later]:

- Meeting 11 - Monday, January 26 - Room 027, GEF 2
 1. Map out programs – NR 400 series, NR 406, NR 407
 2. APII briefing
 3. SIP revisions
- Meeting 12 - Tuesday, February 10 – HR Conference Room, Commerce Bldg.
- Meeting 13 - Friday, February 27 - Room 027
- Meeting 14 - Tuesday, March 16 - Room 027
- Meeting 15 - Tuesday, March 30 - Room 027
- Meeting 16 - Tuesday, April 13 - Room 027
- Meeting 17 - Thursday, April 29 - Room 027

DNR’s thoughts on the Major/Minor Source Interface – Jeff Hanson (see

<http://webtest.dnr.state.wi.us/org/aw/air/hot/nsr/dec182003/NR406interface1203.pdf>). Interface depends on the NSR tool being used. Can we group programs together for possible interfacing, e.g. clean units, PALs, pollution control projects, to exempt activities at a source from NSR? For example, exempt these changes entirely from NR 406, see how that interfaces with Title 5 major vs. minor source notice-and-go revision, then project can proceed once application is submitted. (Would need to change NSR SIP and Title 5 program to do this.) Applicability test is much more complicated due to projections, NR 406 thresholds, netting.

Action items for next meeting:

DNR staff will:

- Bring information from other states to this group from the APII group when available.
- Provide an updated list of minor source “drivers” before the next meeting.
- Ask Mary Jo Kopecky (assistant administrator of the Division of Air & Waste) to provide an overview of the Air Permit Improvement Initiative (APII) / DNR’s permit streamlining efforts at the next meeting.

Advisory Group members will:

- Make lists of tasks that need to be done in meshing minor sources with NSR retooling.
- Bring examples of where their facility or others cannot take advantage of changes in NR 405 and NR 408, for example, with pollution control projects.
- Bring applicability test examples (projections, NR 406 thresholds, netting, etc.)

- Develop a matrix showing how each NR 400 code chapter interfaces with PCPs, Clean Units, PALs, applicability test.
- Scope out DNR's streamlining efforts as well as any recent legislation and its impacts.
- Send examples to Jeff Hanson and Steve Dunn so they can walk through them and figure out how they might play out.

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